



ANNUAL STATEMENT
For the Year Ending December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
DC CHARTERED HEALTH PLAN, INC.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	95748	Employer's ID Number	52-1492499
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	09/12/1986		Commenced Business	09/12/1986		
Statutory Home Office	1025 15TH STREET NW (Street and Number)		WASHINGTON, DC 20005-2601 (City or Town, State and Zip Code)			
Main Administrative Office			1025 15TH STREET NW (Street and Number)			
	WASHINGTON, DC 20005-2601 (City or Town, State and Zip Code)				(202)408-4720 (Area Code) (Telephone Number)	
Mail Address	1025 15TH STREET NW (Street and Number or P.O. Box)		WASHINGTON, DC 2005-2601 (City or Town, State and Zip Code)			
Primary Location of Books and Records			1025 15TH STREET NW (Street and Number)			
	WASHINGTON, DC 20005-2601 (City or Town, State and Zip Code)				(202)408-3973 (Area Code) (Telephone Number)	
Internet Website Address	www.chartered-health.com					
Statutory Statement Contact	GABRIEL JOSEPH HANNA (Name)		(202)408-3973 (Area Code)(Telephone Number)(Extension)			
	ghanna@chartered-health.com (E-Mail Address)				(202)289-6642 (Fax Number)	

OFFICERS

Name	Title
JEFFREY EARL THOMPSON	Chairman
GABRIEL JOSEPH HANNA	President & CEO #
JOE NEIL LOWRY	Acting, Chief Financial Officer #

VICE PRESIDENT

ROBERT EDWARD WATKINS, COO
LESLIE LYLES SMITH, SVP, HEALTH PLAN SRVS
LAVDENA ADAMS ORR MD, CMO

DIRECTORS OR TRUSTEES

JEFFEREY EARL THOMPSON
MYRTLE ROSALIND GOMEZ
WILLIAM JEFFREY STRUDWICK
JOHNNIE BROOKS BOOKER
NICHOLAS GEORGE KAREMBALAS

State of District of Columbia
County of ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) GABRIEL JOSEPH HANNA	(Signature)	(Signature) JOE NEIL LOWRY
(Printed Name) 1. President and CEO	(Printed Name) 2. Secretary	(Printed Name) 3. Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
day of , 2010
a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached
Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....27,601,487 Schedule E Part 1), cash equivalents (\$.....1,219,928 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	28,821,414		28,821,414	34,287,905
6.	Contract loans (including \$.....0 premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	28,821,414		28,821,414	34,287,905
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	30,410		30,410	58,363
13.	Premiums and considerations:				
13.1	Uncollected premiums and agents' balances in the course of collection	3,722,234		3,722,234	8,375,721
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3	Accrued retrospective premiums	643,836		643,836	
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	210,612		210,612	277,414
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset	2,042,096	1,138,765	903,331	904,815
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	799,506	698,107	101,398	160,761
19.	Furniture and equipment, including health care delivery assets (\$.....0)	158,472	158,472		
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates	6,922,929	3,516,418	3,406,511	344,543
22.	Health care (\$.....3,621,825) and other amounts receivable	4,254,971	633,146	3,621,825	
23.	Aggregate write-ins for other than invested assets	2,399,427	2,399,427		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	50,005,906	8,544,336	41,461,571	44,409,522
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	50,005,906	8,544,336	41,461,571	44,409,522
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	DEPOSITS	148,800	148,800		
2302.	PREPAID EXPENSES	821,811	821,811		
2303.	GOODWILL	1,460,583	1,460,583		
2398.	Summary of remaining write-ins for Line 23 from overflow page	(31,767)	(31,767)		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,399,427	2,399,427		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	25,352,718		25,352,718	21,254,321
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	760,582		760,582	637,630
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	1,499,272		1,499,272	1,665,406
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others	6,297		6,297	46,050
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans	4,514		4,514	688,039
21.	Aggregate write-ins for other liabilities (including \$.....0 current)	78,503		78,503	393,716
22.	TOTAL Liabilities (Lines 1 to 21)	27,701,886		27,701,886	24,685,162
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	100	100
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	4,690,419	4,690,419
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	9,069,166	15,033,842
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	TOTAL Capital and Surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	13,759,685	19,724,361
32.	TOTAL Liabilities, Capital and Surplus (Lines 22 and 31)	X X X	X X X	41,461,571	44,409,522
DETAILS OF WRITE-INS					
2101.	UNCLAIMED CHECKS	78,503		78,503	393,716
2102.	.....			
2103.	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	78,503		78,503	393,716
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	1,025,122	846,705
2.	Net premium income (including \$.....0 non-health premium income)	X X X	229,536,215	180,992,061
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	229,536,215	180,992,061
Hospital and Medical:				
9.	Hospital/medical benefits		88,999,492	64,389,391
10.	Other professional services		72,252,901	51,408,350
11.	Outside referrals			
12.	Emergency room and out-of-area		32,344,046	21,154,939
13.	Prescription drugs		20,116,696	14,040,427
14.	Aggregate write-ins for other hospital and medical		1,429,378	1,338,210
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		215,142,513	152,331,317
Less:				
17.	Net reinsurance recoveries		569,252	563,766
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		214,573,261	151,767,551
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....5,257,375 cost containment expenses		6,903,631	4,729,811
21.	General administrative expenses		18,047,136	19,269,063
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		239,524,027	175,766,425
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(9,987,812)	5,225,636
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,081,313	1,330,369
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		1,081,313	1,330,369
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses		154,829	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(8,751,670)	6,556,005
31.	Federal and foreign income taxes incurred	X X X	(3,281,722)	2,362,909
32.	Net income (loss) (Lines 30 minus 31)	X X X	(5,469,949)	4,193,095
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	OTHER MEDICAL CLAIMS - DME		1,429,378	1,338,210
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		1,429,378	1,338,210
2901.	ADMIN SERVICE FEE FOR AFFILIATED COMPANIES		154,829	
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		154,829	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	19,724,361	21,619,762
34.	Net income or (loss) from Line 32	(5,469,949)	4,193,095
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(21,497)	141,900
39.	Change in nonadmitted assets	(662,450)	(3,044,551)
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	0	0
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		(2,100,000)
47.	Aggregate write-ins for gains or (losses) in surplus	167,723	(1,085,845)
48.	Net change in capital and surplus (Lines 34 to 47)	(5,986,173)	(1,895,401)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	13,738,188	19,724,361
DETAILS OF WRITE-INS			
4701.	CORRECTION OF PRIOR PERIOD ACCOUNTING ERROR		(1,085,845)
4702.	CHANGE IN CAPITAL ASSETS & FIXED ASSET DEPRECIATION	167,723	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	167,723	(1,085,845)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	233,545,866	180,233,063
2.	Net investment income	1,109,266	1,855,208
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	234,655,132	182,088,271
5.	Benefit and loss related payments	210,408,061	150,972,111
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	25,356,510	22,424,642
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(3,281,722)	2,362,909
10.	Total (Lines 5 through 9)	232,482,850	175,759,663
11.	Net cash from operations (Line 4 minus Line 10)	2,172,282	6,328,608
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		9,142,172
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)		9,142,172
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)		
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		9,142,172
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	0	0
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		2,100,000
16.6	Other cash provided (applied)	(7,638,773)	(3,843,598)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(7,638,773)	(5,943,598)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(5,466,491)	9,527,182
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	34,287,905	24,760,724
19.2	End of year (Line 18 plus Line 19.1)	28,821,414	34,287,905

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
---------	-------	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	229,536,215	46,882,737						182,653,478		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	229,536,215	46,882,737						182,653,478		
8.	Hospital/medical benefits	88,999,492	13,816,332						75,183,160		X X X
9.	Other professional services	72,252,901	17,067,560						55,185,341		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	32,344,046	4,549,082						27,794,964		X X X
12.	Prescription drugs	20,116,696	350,199						19,766,497		X X X
13.	Aggregate write-ins for other hospital and medical	1,429,378	578,583						850,795		X X X
14.	Incentive pool, withhold adjustments and bonus amounts										X X X
15.	Subtotal (Lines 8 to 14)	215,142,513	36,361,756						178,780,757		X X X
16.	Net reinsurance recoveries	569,252							569,252		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	214,573,261	36,361,756						178,211,505		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....5,257,375 cost containment expenses	6,903,631	1,635,173						5,268,458		
20.	General administrative expenses	18,047,136	4,207,484						13,839,652		
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	239,524,027	42,204,412						197,319,615		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(9,987,812)	4,678,325						(14,666,137)		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	OTHER MEDICAL CLAIMS - DME	1,429,378	578,583						850,795		X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	1,429,378	578,583						850,795		X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical)	47,005,514		122,777	46,882,737
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	183,808,398		1,154,920	182,653,478
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	230,813,912		1,277,697	229,536,215
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	230,813,912		1,277,697	229,536,215

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	214,665,940	37,237,807						177,428,133		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	569,252							569,252		
1.4 Net	214,096,688	37,237,807						176,858,881		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	25,352,718	4,032,109						21,320,609		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	25,352,718	4,032,109						21,320,609		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	3,621,825							3,621,825		
7. Amounts recoverable from reinsurers December 31, current year ..										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	21,254,320	4,908,161						16,346,159		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	21,254,320	4,908,161						16,346,159		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	215,142,513	36,361,756						178,780,758		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	569,252							569,252		
12.4 Net	214,573,261	36,361,756						178,211,505		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	6,612,697	316,627						6,296,069		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	6,612,697	316,627						6,296,069		
2. Incurred but Unreported:										
2.1 Direct	18,740,021	3,715,482						15,024,539		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	18,740,021	3,715,482						15,024,539		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	25,352,718	4,032,109						21,320,609		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	25,352,718	4,032,109						21,320,609		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	2,930,051	34,307,756	.....	4,032,109	2,930,051	4,908,161
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid	20,633,773	156,225,107	.....	21,320,609	20,633,773	16,346,159
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8)	23,563,824	190,532,863	.....	25,352,718	23,563,824	21,254,320
10.	Healthcare receivables (a) .....	.....	3,621,825	.....	.....	.....	.....
11.	Other non-health .....	.....	.....	.....	.....	.....	.....
12.	Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13.	TOTALS (Lines 9 - 10 + 11 + 12)	23,563,824	186,911,038	.....	25,352,718	23,563,824	21,254,320

(a) Excludes \$......0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	11,217	11,598	11,598	11,598	11,598
2.	2005	67,943	79,253	79,295	79,295	79,295
3.	2006	X X X	90,217	107,250	107,021	107,021
4.	2007	X X X	X X X	118,169	133,967	133,967
5.	2008	X X X	X X X	X X X	135,127	158,691
6.	2009	X X X	X X X	X X X	X X X	186,911

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	6,109	11,598	11,598	11,598	11,598
2.	2005	80,901	79,708	79,295	79,295	79,295
3.	2006	X X X	109,457	107,301	107,021	107,021
4.	2007	X X X	X X X	138,300	133,993	133,967
5.	2008	X X X	X X X	X X X	156,355	158,691
6.	2009	X X X	X X X	X X X	X X X	212,264

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2005	98,681	79,295	3,561	4.491	82,856	83.963			82,856	83.963
2.	2006	131,198	107,021	3,858	3.605	110,878	84.512			110,878	84.512
3.	2007	165,104	133,967	4,776	3.565	138,743	84.034			138,743	84.034
4.	2008	180,992	158,691	7,310	4.606	166,001	91.717			166,001	91.717
5.	2009	229,536	186,911	18,173	9.723	205,084	89.347	25,353	761	231,198	100.724

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior					
2.	2005					
3.	2006	X X X	15,373	21,232	20,999	20,999
4.	2007	X X X	X X X	37,068	42,559	42,559
5.	2008	X X X	X X X	X X X	34,169	37,099
6.	2009	X X X	X X X	X X X	X X X	34,308

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	77				
2.	2005					
3.	2006	X X X	23,422	21,232	20,999	20,999
4.	2007	X X X	X X X	43,689	42,562	42,559
5.	2008	X X X	X X X	X X X	39,074	37,099
6.	2009	X X X	X X X	X X X	X X X	38,340

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2005										
2.	2006	28,506	20,999	1,270	6.048	22,269	78.122			22,269	78.122
3.	2007	59,080	42,559	1,482	3.482	44,041	74.545			44,041	74.545
4.	2008	51,043	37,099	1,758	4.738	38,857	76.126			38,857	76.126
5.	2009	46,883	34,308	4,260	12.417	38,568	82.265	4,032	121	42,721	91.123

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	11,217	11,598	11,598	11,598	11,598
2.	2005	67,943	79,253	79,295	79,295	79,295
3.	2006	X X X	74,843	86,017	86,021	86,021
4.	2007	X X X	X X X	81,101	91,408	91,408
5.	2008	X X X	X X X	X X X	100,958	121,592
6.	2009	X X X	X X X	X X X	X X X	152,603

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	6,032	11,598	11,598	11,598	11,598
2.	2005	80,901	79,708	79,295	79,295	79,295
3.	2006	X X X	86,034	86,068	86,021	86,021
4.	2007	X X X	X X X	94,611	91,431	91,408
5.	2008	X X X	X X X	X X X	117,281	121,592
6.	2009	X X X	X X X	X X X	X X X	173,924

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2005	98,681	79,295	3,561	4.491	82,856	83.963			82,856	83.963
2.	2006	102,692	86,021	2,588	3.008	88,609	86.286			88,609	86.286
3.	2007	106,024	91,408	3,294	3.604	94,702	89.321			94,702	89.321
4.	2008	129,949	121,592	5,552	4.566	127,144	97.841			127,144	97.841
5.	2009	182,653	152,603	13,913	9.117	166,516	91.165	21,321	640	188,477	103.189

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			1,110,915		1,110,915
2.	Salaries, wages and other benefits	3,606,129	1,074,976	8,032,229		12,713,333
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4.	Legal fees and expenses			324,980		324,980
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services	1,270,556	289,019	1,635,112		3,194,687
7.	Traveling expenses		(2,939)	23,453		20,514
8.	Marketing and advertising		13,986	2,702,527		2,716,513
9.	Postage, express and telephone	2,115	65	403,626		405,806
10.	Printing and office supplies	43,668	10,762	728,916		783,346
11.	Occupancy, depreciation and amortization		2,844	879,267		882,111
12.	Equipment			33,939		33,939
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services	60,248	6,195	501,878		568,321
15.	Boards, bureaus and association fees		38,393	74,719		113,112
16.	Insurance, except on real estate			383,712		383,712
17.	Collection and bank service charges			31,936		31,936
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans		(64,000)			(64,000)
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes					
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes	274,660	83,485	506,312		864,457
23.5	Other (excluding federal income and real estate taxes)		193,473	673,613		867,086
24.	Investment expenses not included elsewhere				43,106	43,106
25.	Aggregate write-ins for expenses					
26.	TOTAL Expenses Incurred (Lines 1 to 25)	5,257,375	1,646,259	18,047,136	43,106	(a) 24,993,875
27.	Less expenses unpaid December 31, current year	760,582		1,499,272		2,259,854
28.	Add expenses unpaid December 31, prior year	637,630		1,665,406		2,303,036
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	5,134,423	1,646,259	18,213,269	43,106	25,037,057
DETAILS OF WRITE-INS						
2501.	.....				
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) 142,064	..... 142,064
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 951,944	..... 982,354
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 1,094,008	..... 1,124,418
11.	Investment expenses .....	.....	(g) 43,106
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g)
13.	Interest expense .....	.....	(h)
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	Total deductions (Lines 11 through 15) .....	.....	..... 43,106
17.	Net Investment income (Line 10 minus Line 16) .....	.....	..... 1,081,313
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	.....	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset	1,138,765	1,158,778	20,013
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software	698,107	513,721	(184,387)
19.	Furniture and equipment, including health care delivery assets	158,472	152,825	(5,647)
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates	3,516,418	889,078	(2,627,340)
22.	Health care and other amounts receivable	633,146	353,916	(279,230)
23.	Aggregate write-ins for other than invested assets	2,399,427	4,813,568	2,414,141
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	8,544,336	7,881,885	(662,450)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	8,544,336	7,881,885	(662,450)
DETAILS OF WRITE-INS				
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	DEPOSITS	148,800	148,800	
2302.	PREPAID EXPENSES	821,811	1,391,333	569,523
2303.	GOODWILL	1,460,583	1,460,583	
2398.	Summary of remaining write-ins for Line 23 from overflow page	(31,767)	1,812,852	1,844,619
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,399,427	4,813,568	2,414,141

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	80,923	83,080	85,276	87,217	88,407	1,025,122
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	80,923	83,080	85,276	87,217	88,407	1,025,122
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

DC Chartered Health Plan, Inc. - Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial Statements of DC Chartered Health Plan (Chartered) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB). The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia (District) for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the District of Columbia Insurance Code. The DISB has adopted the National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual* as a component of prescribed or permitted practices for the District. The DISB has the right to permit specific practices that deviate from prescribed practices. There is no deviation from the NAIC *Accounting Practices and Procedures Manual*.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the District of Columbia Department of Insurance, Securities and Banking is shown below:

	<u>State of Domicile</u>	<u>2009</u>	<u>2008</u>
1. Net Income DC state basis	DC	(\$5,469,949)	\$4,193,095
2. State Prescribed Practices (Income)	DC	\$0	\$0
3. State Permitted Practices (Income)	DC	\$0	\$0
4. Net Income, NAIC SAP	DC	(\$5,469,949)	\$4,193,095
5. Statutory Surplus DC basis	DC	\$13,759,685	\$19,724,361
6. State Prescribed Practices (Surplus):	DC	\$0	\$0
7. State Permitted Practices (Surplus):	DC	\$0	\$0
8. Statutory Surplus, NAIC SAP	DC	\$13,759,685	\$19,724,361

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Chartered writes only Medicaid contracts primarily through a contract with the District of Columbia Department of Health (DOH). Medicaid premiums from the DOH are due monthly and are recognized as revenue during the period in which Chartered is obligated to provide service to members.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments - None
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific interest method.
- (3) Common Stocks are stated at market.

Notes to Financial Statements

- (4) Preferred stocks - None.
- (5) Mortgage loans on real estate - None.
- (6) Loan-backed securities - None.
- (7) Investments in subsidiaries, controlled or affiliated investments - None.
- (8) Investments in joint ventures, partnerships and limited liability companies - None
- (9) Derivatives instruments - None.
- (10) Chartered does not carry a premium deficiency reserve and consequently does not utilize anticipated investment income as a factor in calculating a premium deficiency reserve.
- (11) Medical and hospital costs are accrued based on claims received but unpaid and an estimate for claims incurred but not yet received (IBNR). These estimates are projected through an actuarial model, which calculates the outstanding liability based on payment trends and membership. Chartered uses actuarially sound methodologies developed by its actuarial consultants, Ingenix, to calculate its medical liability. Claims and claims adjustment expenses are expensed as incurred. The Company establishes an unpaid claims liability for claims in the process of review and for claims incurred but not reported. The liability for claims incurred but not reported is actuarially estimated based on the most current historical claims experience, changes in number of members and participants and estimates of health care trend (cost, utilization and intensity of services) changes. Estimates for claims incurred but not reported are continually reviewed and revised as changes in these factors occur and revisions are reflected in the current year's statements of revenue and expenses.
- (12) Chartered has not modified its capitalization policy from the prior period.
- (13) Pharmacy rebate receivables are estimated based on the most currently available data from the Company’s claims processing systems and from data provided by the Company’s pharmaceutical benefit manager, Caremark.

2. Accounting Changes and Corrections of Errors

A. Material Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans – None.
- B. Debt Restructuring – None.
- C. Reverse Mortgages – None.
- D. Loan-Backed Securities – None.

Notes to Financial Statements

- E. Repurchase Agreements – None.
- F. Real Estate – None.
- G. Low Income Housing Tax Credits – None.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. Chartered has no investments in joint ventures, partnerships, or limited liability companies.
- B. Not applicable.

7. Investment Income

- A. Due and accrued income is excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.
- B. No investment income was excluded from the financial statements.

8. Derivative Instruments

None

9. Income Taxes

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	2009	2008
Total of gross deferred tax assets	\$2,042,096	\$2,063,593
Total of gross deferred tax liabilities	\$0	\$0
Net deferred tax asset	\$2,042,096	\$2,063,593
Deferred Tax Asset nonadmitted	(\$1,138,765)	(\$1,158,778)
Net admitted deferred tax asset	\$903,331	\$904,815
Increase (decrease) in DTAs nonadmitted	(\$21,497)	\$97,136

- B. Deferred tax liabilities are not recognized for the following amounts:

None

- C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	2009	2008
Federal	(\$3,281,722	\$2,362,911
Federal and foreign income tax taxes incurred	(\$3,281,722	\$2,362,911

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities for the years ended December 31 are:

	2009	2008
Deferred Tax Asset:		
Accounts receivable principally related to allowance for doubtful accounts	-	\$0

Notes to Financial Statements

Compensated absences, principally related to accrual for financial reporting purposes	\$67,072	\$67,554
Amortization of membership list	\$63,525	\$74,573
Straight line lease expense	\$97,115	\$96,336
Depreciation	\$994,808	\$1,158,458
Nonadmitted Assets	\$819,576	\$666,672
Total deferred tax assets	\$2,042,096	\$2,063,593
Nonadmitted deferred tax asset	(\$1,138,765)	(\$1,158,778)
Admitted deferred tax asset	\$903,331	\$904,815
Deferred tax liabilities:	\$0	\$0
Net admitted deferred tax asset	\$903,331	\$904,815

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-Admitted Asset is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement).

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Total deferred tax assets	\$2,042,096	\$2,063,593	(\$21,497)
Total deferred tax liabilities	\$0	\$0	\$0
Net deferred tax asset (liability)	\$2,042,096	\$2,063,593	(\$21,497)
Tax effect of unrealized gains (losses)			\$0
Change in net deferred income tax			(\$21,497)

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	<u>2009</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	(\$3,426,709)	35%
State income taxes, net of federal benefit	134,533	
Other	(\$11,043)	
Total	(\$3,303,219)	
Federal and foreign income tax incurred	(\$3,281,722)	
Change in net deferred income taxes	(\$21,497)	
Total statutory income taxes	(\$3,303,219)	

- D. Not applicable.
- E. Not applicable.
- F. Chartered’s is included in a consolidated federal income tax return with its parent company DC Healthcare Systems, Inc. The Company has a written agreement, approved by the Company’s Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity that is a party to the consolidation.

10. Information Concerning Parent, Subsidiaries and Affiliates

Notes to Financial Statements

A. – C. Chartered is a wholly owned subsidiary of DC Healthcare Systems, Inc (DCHSI). All outstanding shares of Chartered are owned by the parent company, DCHSI, a holding company domiciled in the District of Columbia. Chartered holds no assets or shares of stock of DCHSI.

DCHSI provides certain items to Chartered under an Administrative Services Agreement, further discussed below in F.

B

D. Chartered reported the following amounts due from or to related parties originating from activities in the normal course of business for the years ended December 31. Chartered bills all related party entities for any and all amounts owed to the Company excluding amounts due under the Inter-Company Tax Agreement Memorandum of Understanding at the end of each quarter. Billed amounts are due within 60 days of the billed date. Chartered bills the parent company, DCHSI, for any and all inter-company tax receivables resulting from the Inter-Company Tax Agreement Memorandum of Understanding on a semi-annual basis as of June 30 and December 31 of each year. DCHSI remits payment to the Company on these billed amounts within 60 days of the billed date. Any amounts not settled within these dates are nonadmitted.

<u>Name</u>	<u>Relationship</u>	<u>Gross Receivable</u>	
		<u>2009</u>	<u>2008</u>
RapidTrans	Affiliate	0.00	1,328
Chartered Family Health Center, P.C.	Affiliate	41,448	43,215
DC HealthCare Systems, Inc.	Parent	6,933,316	1,189,078
		<u>\$6,974,764</u>	<u>\$1,233,621</u>

E. None.

F. Consulting Agreement

On May 18, 2000, Chartered entered into an agreement with DCHSI for technical and professional consulting services in connection with the HMO business and healthcare insurance business of Chartered. In exchange for these services received from DCHSI, Chartered is obligated to pay fees to DCHSI not to exceed \$825,000 each calendar year of the agreement. During 2001, the board of directors increased the fee to a contract ceiling of \$1.8 million, as a result of DCHSI’s increased involvement in the management of Chartered. The term of the consulting agreement is three years and can be terminated by DCHSI at any time. Chartered recorded consulting expenses of \$0.00 and \$0.00 under the terms of this agreement for the years ended December 31, 2009 and 2008, respectively.

Office Lease Agreement

On August 8, 2003, Chartered entered into a lease agreement for office space at 1025 15th Street NW, Washington, DC to house its headquarters in a building owned by DC Healthcare Systems. The lease is a triple net lease for approximately 32,660 square feet of space at \$25 per square foot. It has a term of 10 years at an annual payment rate of \$816,500, plus a 2.5% annual increase on the base rent. The lease commences July 1, 2004.

G. Chartered is a wholly owned subsidiary of DCHSI. RapidTrans and the Health Center are affiliated Companies.

Notes to Financial Statements

- H. The Company had no ownership in any upstream intermediate entities or ultimate parent companies owned.
- I. Investment in SCA: Not Applicable
- J. Investment in impaired SCA: Not Applicable
- K. Investment in Foreign Insurance Subsidiary – None
- L. Investments in Downstream Noninsurance Holding Company - None

11. Debt

- A -B. Chartered has no capital note obligations.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Chartered adopted a 401(k) plan for its employees in April 2000. Employees are eligible to participate in the Plan if they are at least 21 years of age and have worked 90 days or longer at Chartered. Employees may contribute a certain percentage of eligible salary on a pre-tax basis. In 2004, Chartered decided to offer its employees a matching contribution up to 12% of each employee 401K 2004 annual contribution.

- A. Defined Benefit Plan Not applicable.
- B. Defined Contribution Plan Not applicable
- C. Multi-employer Plans Not applicable
- D. Consolidated/Holding Company Plans Not applicable
- E. Post-employment benefits and compensated absences Not Applicable
- F. Impact of Medicare Modernization Act of Postretirement Benefits Not Applicable

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- (1) Chartered has 1,000 shares of common stock issued and outstanding at December 31, 2006 with a par value of \$0.10 each.
- (2) Chartered has not issued any preferred stock.
- (3) Chartered has no dividend restrictions other than imposed by statute.
- (4) DCCHP did not declare or pay dividend during 2009.
- (5) None.
- (6) There are no restrictions placed on Chartered’s surplus.
- (7) Not Applicable..
- (8) Chartered has no stock held for special purposes.
- (9) Chartered had no changes in the balance of special surplus funds from the prior year.
- (10) Unassigned funds (surplus) were reduced in as follows:
 - i. Unrealized gains and losses: \$
 - ii. Non-admitted asset values: \$ 8,876,951

Notes to Financial Statements

iii. Separate account business:	\$
iv. Asset valuation reserves	\$
v. Provision for reinsurance:	\$

- (11) Chartered did and does have any surplus notes issued or outstanding as of December 31, 2009.
- (12) No quasi-reorganizations have taken place as of December 31, 2009.
- (13) No quasi-reorganizations have taken place as of December 31, 2009.

14. Contingencies

A. Contingent Commitments

In the third quarter of 2008, Chartered executed a co-guarantor agreement with its parent company, DCHSI wherein the Chartered guaranteed a \$13,333,567 long term Bank Loan Payable (Loan). Chartered, DCHSI, and Cardinal Bank, an operating unit of Cardinal Financial Corporation, (NASDAQ: CFNL) executed an agreement under which Chartered serves as a co-guarantor on the loan and to collateralize the loan with specific securities currently held by Chartered.

The Loan originated from the settlement and dispute resolution agreement for contractual disputes with the Office of Attorney General for the District of Columbia, which required DCHSI to pay \$13,333,567. DCHSI financed the settlement payment through a \$13,000,000 long term Bank Loan Payable. Payments of interest only on the outstanding principal balance are due monthly through November 10, 2012, thereafter, payments of principal and interest will continue monthly through November 10, 2018, based on a 25 year amortization schedule. Interest is calculated at an annual fixed rate of 5.65% for the first five years, thereafter adjusting to a rate equal to the Federal Home Loan Bank 5 year Rate plus 1.50%. Chartered and the owner of DCHSI are co-guarantors of the loan.

Pursuant to the Loan, Chartered is required to pledge investments in the amount of \$13,333,567 as collateral for the Loan. In the event that DCHSI defaults on or is not able to meet its obligations under the provisions of the Loan, the owner of DCHSI has executed an Indemnification Agreement to irrevocably and unconditionally hold Chartered harmless and indemnify Chartered for any monies that Chartered is or may be obligated to pay under the guaranty agreement and pledge and security agreement, including but not limited to any liquidation of the pledged collateral.

Management concluded that the \$13,333,567 pledged investment is an admitted asset under Statement of Statutory Accounting Principles 91R, Accounting for Servicing of Financial Assets and Extinguishment of Liabilities (SSAP 91R), paragraph No. 14, Secured Borrowings and Collateral, and Interpretation 01-31, Assets Pledged as Collateral (INT-01-31). Management communicated with the Department of Insurance, Securities and Banking of the District of Columbia which determined that the pledged investments, referred to above, should be classified as admitted assets. Accordingly, the \$13,333,567 of pledged investments is included as certificates of deposit, pledged in the accompanying statements of admitted assets, liabilities, and capital and surplus at December 31, 2008.

In addition to the Settlement Agreement, DCHSI, Chartered, and the owner of DCHSI entered into a Letter Agreement (Agreement) with the District of Columbia that requires DCHSI, Chartered, and the owner of DCHSI to make contributions to the District of Columbia Department of Health’s Immunization Program and several other not-for-profit organizations, including the District of Columbia Public Education Fund, of approximately \$1,050,000 each year for a period of five years beginning January 1, 2009. Under the Agreement, these contributions will be made subject to the following conditions being met:

Notes to Financial Statements

- (1) The funds received by the various organizations from the previous year were used for the purposes outlined in the Agreement,
- (2) The submission of a report that demonstrates that the funds were expended in compliance with the Agreement, and
- (3) Chartered and DCHSI are able to maintain “normal operations” during that year.

Therefore, if the District fails to use the funds provided as required, the District is unable to account for related expenditures, or either Chartered or DCHSI suffer adverse financial circumstances, the commitments become void or are subject to renegotiation. Management believes that there is more than a remote likelihood that the above mentioned conditions will not be met as of December 31, 2008, and accordingly has not accrued a liability. Chartered will record the expense in the period in which the payments are made.

B. – E. – None

15. Leases

A. Lessee Operating Lease

- (1) Chartered is obligated under several non-cancelable operating leases for office space and office equipment. Total rent expense was \$1,110,765 and \$979,084 and for the years ended December 31,2009 and 2008, respectively.
- (2) At January 1 2009, the minimum aggregate rental commitments are as follows:

2009	912,533	The Company is not involved in any material sales-leaseback transactions
2010	935,347	
2011	958,730	
2012	982,698	
2013	1,007,266	
2014	509,851	B. Lessor Leases Not Applicable
2015	-	
Thereafter	-0-	

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With

Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

On April 9, 2001, Chartered entered into an agreement with Greater Southeast Community Hospital Corporation (GSCHC) to provide administrative services to the DC Department of Health (DOH) as a subcontractor to GHCS. GHCS was selected by the District of Columbia to develop and implement a program to provide comprehensive, integrated, and coordinated health care services for the uninsured population of the District of Columbia. Under the terms of the agreement, Chartered is expected to maintain and administer a network of healthcare providers, provide for the enrollment of eligible individuals in the program, provide general administrative services including claims administration, and provide quality and utilization management services for the program.

The agreement also provides for a network service fee to be paid to Chartered based on the profits from certain

Notes to Financial Statements

categories of healthcare services, including ambulatory surgery, other outpatient hospital visits, community clinic services, physician services, and dental services. The effective date of the agreement is June 1, 2001. The agreement extends through May 31, 2006 and may be terminated at any time upon mutual consent of the parties. The agreement also allows for an automatic renewal period of two additional two-year terms, unless the parties terminate the agreement in writing 180 days prior to the expiration of each renewal date.

On May 2, 2003, Modification No. 8 to the Agreement between the District of Columbia, Financial Responsibility and Management Assistance Authority and GSCHC was approved by the District of Columbia City Council. This Modification effectively removed GSCHC from its role as prime contractor and assigned their responsibilities to the Department of Health (DOH). Chartered sub-contract was assigned to DOH from GSCHC. Chartered direct responsibilities to DOH increased in the areas of task order requisition funding, establishing and maintaining an Alliance bank account and data analysis and reporting.

This ASO agreement expired on May 31, 2006, the pre-tax income (loss) from this program for the year ended December 31, 2009 was \$0.00.

The gain from operations from ASO the uninsured plan was as follows:

	<u>AMOUNT</u>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 0.00
b. Total net other income or expenses (including interest paid to or received from plans)	-0-
c. Net gain or (loss) from operations	\$0.00
d. Total Claim Payment Volume	-

On June 1, 2006, the uninsured program was shifted from an ASO program to a risk program by DOH. Chartered was one of 2 Health Plans that participated with this program. For the 12 months ending 12/31/09, Chartered provided at-risk coverage to 240,577 member months that resulted in additional revenue of \$ 47.0 million.

B. The Company had no ASC or Uninsured Governmental Plans

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Other Items

- A. Extraordinary Items – Not Applicable
- B. Troubled Debt Restructuring: Debtors – Not Applicable
- C. Other Disclosures – Not Applicable
- D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, retrospectively Rated Contracts. – Not Applicable
- E. Business Interruption Insurance Recoveries – Not Applicable
- F. State Transferable Tax Credits – Not Applicable
- G. Subprime-Mortgaged-Related Risk Exposure – None

21. Events Subsequent -None

Notes to Financial Statements

22. Reinsurance

- A. Reinsurance Ceded - None
- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance - None

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The District’s performance based incentives program Department of Health Care Finance Incentive Program (“DCHF Incentive Program”) is designed to motivate health plans to meet and exceed performance benchmarks on clinical care, access-to-care and administrative functions, as well as patient satisfaction. Performance incentives are awarded on the basis of a Contractor’s total points earned in each of four domains: clinical performance, access to care, patient satisfaction, and administrative performance. Contractors are subject to the DHCF Incentive Program and are scored and receive incentive awards. During the 2009 contract year, DHCF withheld one percent (1%) of the approved capitation payment from Chartered in the amount of \$1.3M which Chartered is eligible to receive a portion or all of the withheld funds based on Contractor’s performance. Chartered has estimated its reimbursement in the amount of \$0.6 M.

Chartered has estimated its accrued retrospective premium adjustment based on the requirements identified by the DHCF Incentive Program. Accordingly Chartered has estimated and recorded \$0.6M of accrued retrospective premiums as an adjustment to written premiums.

The amount of net written premiums by Chartered at December 31, 2009 that are subject to retrospective rating features are \$182.6M (80%) for the District’s Medicaid and Alliance Dental Benefits Program.

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2008 were \$21.3M for unpaid claims and \$0.6M for unpaid claims adjustment expenses. As of December 31, 2009, \$23.6 million and \$0.7M has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Therefore there has been a \$2.4 million unfavorable prior year development since December 31, 2008 to December 31, 2009. There are no additional reserves remaining for prior years due to the short-term nature of the Company’s Medicaid line of business.

The unfavorable development is generally the result of excessive claims for the District’s Medicaid and Alliance Dental Benefits Program. Ongoing discussions with the District Department of Health Care Finance are currently underway to establish higher reimbursement rates for such claims.

25. Intercompany Pooling Arrangements

Not Applicable.

26. Structured Settlements

Not applicable for Health entities.

27. Health Care Receivables

- A. Pharmacy Rebate Receivable:

The Company recorded \$0.2M of pharmacy rebate receivables from its Pharmacy Benefit Manager, Caremark. The entire amount was non-admitted per guidance in SSAP No. 84 – Certain Health Care Receivables and Receivables Under Government Insured Plans.

Notes to Financial Statements

B. Risk Sharing Receivables

Not Applicable.

28. Participating Policies

Not Applicable.

29. Premium Deficiency Reserves

As of 12/31/09, the Company did not have any liability related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

30. Anticipated Salvage and Subrogation

Chartered’s subrogation recoveries have historically been immaterial, as a result of the population served. Plan members are almost entirely TANF recipients eligible only for Medicaid health coverage. Recoveries typically result from non-routine healthcare matters, such as auto accidents. During the years ended December 31, 2009 and 2008, Chartered recorded the following subrogation recoveries as reductions in medical costs:

Line of Business	2009	2008
Medicaid	\$0	\$0
Commercial	\$0	\$0
Total	\$0	\$0

Chartered reduces its loss reserves for anticipated subrogation recoveries.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Dist. of Columbia
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/31/2008
- 3.4 By what department or departments?
DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE AND SECURITIES REGULATION
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG, 1660 INTERNATIONAL DRIVE, MCLEAN, VA
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
INGENIX CONSULTING, 12125 TECHNOLOGY DRIVE, EDEN PRAIRIE, MN
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved

0
- 11.13 Total book/adjusted carrying value

\$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

13.11 If the response to 13.1 is No, please explain:

13.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

13.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
- BOARD OF DIRECTORS
14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]

15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]
- FINANCIAL
17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers

\$ 0

18.12 To stockholders not officers

\$ 0

18.13 Trustees, supreme or grand (Fraternal only)

\$ 0

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21 To directors or other officers

\$ 0

18.22 To stockholders not officers

\$ 0

18.23 Trustees, supreme or grand (Fraternal only)

\$ 0

19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Rented from others

\$ 0

19.22 Borrowed from others

\$ 0

19.23 Leased from others

\$ 0

19.24 Other

\$ 0

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]

20.2 If answer is yes:

20.21 Amount paid as losses or risk adjustment

\$ 0

20.22 Amount paid as expenses

\$ 0

20.23 Other amounts paid

\$ 0

21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 5,996,651
- INVESTMENT
- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)

Yes[X] No[]

22.2 If no, give full and complete information, relating thereto:

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)

22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]

22.5 If answer to 22.4 is YES, report amount of collateral

\$ 0

22.6 If answer to 22.4 is NO, report amount of collateral

\$ 0

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3).

Yes[X] No[]

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21 Subject to repurchase agreements

\$ 0

23.22 Subject to reverse repurchase agreements

\$ 0

23.23 Subject to dollar repurchase agreements

\$ 0

23.24 Subject to reverse dollar repurchase agreements

\$ 0

23.25 Pledged as collateral

\$ 13,666,095

23.26 Placed under option agreements

\$ 0

23.27 Letter stock or securities restricted as to sale

\$ 0

23.28 On deposit with state or other regulatory body

\$ 2,827,632

23.29 Other

\$ 0

23.3 For category (23.27) provide the following:
- | 1 | 2 | 3 |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| | | |
- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0
- 26.1

GENERAL INTERROGATORIES (Continued)

26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[X] No[]

1 Name of Custodian(s)	2 Custodian's Address
CARDINAL BANK	8270 GREENSBORO DR. STE 500, MCLEAN, VA 22102
URBAN TRUST BANK	1350 I St. NW , WASHINGTON, DC 20005

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?
- 26.04 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 27.2 If yes, complete the following schedule:
- Yes[] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds
28.2 Preferred stocks
28.3 Totals

- 28.4 Describe the sources or methods utilized in determining the fair values

- 29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- 29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- 29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- Yes[] No[X]
- Yes[] No[] N/A[X]

- 30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- 30.2 If no, list exceptions:
- Yes[X] No[]

GENERAL INTERROGATORIES (Continued)
OTHER

31.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 0
31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

32.1 Amount of payments for legal expenses, if any? \$..... 324,980
32.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
JULYAN & JULYAN .....	..... 144,000
SONNENSCHN NATH & ROSENTHAL LLP .....	..... 88,193

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 0
33.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 26)	41,461,571	44,409,522	44,505,463	43,031,909	32,926,002
2. TOTAL Liabilities (Page 3, Line 22)	27,701,886	24,685,162	22,885,701	22,805,191	17,560,635
3. Statutory surplus	4,590,724	3,619,841	3,302,074	2,623,958	1,973,625
4. TOTAL Capital and Surplus (Page 3, Line 31)	13,759,685	19,724,361	21,619,762	20,226,717	15,365,367
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	229,536,215	180,992,061	165,103,707	131,197,889	98,681,260
6. TOTAL Medical and Hospital Expenses (Line 18)	214,573,261	151,767,551	135,902,539	107,642,021	79,881,066
7. Claims adjustment expenses (Line 20)	6,903,631	4,729,811	5,016,191	4,874,008	3,146,021
8. TOTAL Administrative Expenses (Line 21)	18,047,136	19,269,063	18,170,487	12,195,523	11,191,141
9. Net underwriting gain (loss) (Line 24)	(9,987,812)	5,225,636	6,014,489	6,486,337	4,463,032
10. Net investment gain (loss) (Line 27)	1,081,313	1,330,369	2,153,488	1,834,191	1,131,944
11. TOTAL Other Income (Lines 28 plus 29)	154,829		176,672	495,090	
12. Net income or (loss) (Line 32)	(5,469,949)	4,193,095	5,464,239	6,005,007	3,633,950
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	2,172,282	6,328,608	5,352,291	4,971,071	4,468,762
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	13,759,685	18,084,726	21,619,762	20,226,717	15,365,367
15. Authorized control level risk-based capital	9,053,105	6,168,391	5,544,578	4,377,760	3,212,470
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	88,407	80,923	63,309	59,460	38,578
17. TOTAL Members Months (Column 6, Line 7)	1,025,122	846,705	743,648	593,006	461,283
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	93.5	83.9	82.3	82.0	80.9
20. Cost containment expenses	2.3	1.9	2.4	2.5	1.5
21. Other claims adjustment expenses	0.7	0.7	0.6	1.2	1.7
22. TOTAL Underwriting Deductions (Line 23)	104.4	97.1	96.4	95.1	95.5
23. TOTAL Underwriting Gain (Loss) (Line 24)	(4.4)	2.9	3.6	4.9	4.5
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	23,563,824	15,593,835	17,126,968	11,924,254	11,826,662
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	21,254,320	20,181,467	19,695,242	13,420,898	12,846,172
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[X] N/A[]

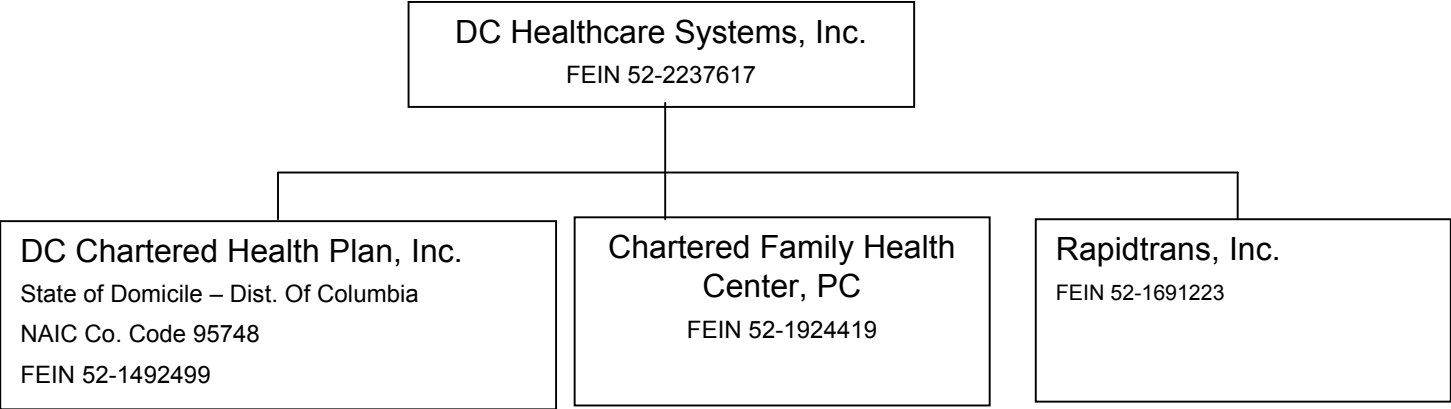
If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	L	47,005,514		183,808,398				230,813,912	
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Marianas Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	47,005,514		183,808,398				230,813,912	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1	47,005,514		183,808,398				230,813,912	
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



**INDEX TO HEALTH
ANNUAL STATEMENT**

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 - Part 1 - Summary of Transactions With Providers	23
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	23
Exhibit 8 - Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	29
Five-Year Historical Data	28
General Interrogatories	26
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	41
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI11
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E18
Schedule DB - Part A - Section 3	E19
Schedule DB - Part A - Verification Between Years	SI12
Schedule DB - Part B - Section 1	E19
Schedule DB - Part B - Section 2	E20
Schedule DB - Part B - Section 3	E20
Schedule DB - Part B - Verification Between Years	SI12
Schedule DB - Part C - Section 1	E21
Schedule DB - Part C - Section 2	E21
Schedule DB - Part C - Section 3	E22

**INDEX TO HEALTH
ANNUAL STATEMENT**

Schedule DB - Part C - Verification Between Years	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Part D - Section 3	E23
Schedule DB - Part D - Verification Between Years	SI13
Schedule DB - Part E - Section 1	E24
Schedule DB - Part E - Verification	SI13
Schedule DB - Part F - Section 1	SI14
Schedule DB - Part F - Section 2	SI15
Schedule E - Part 1 - Cash	E25
Schedule E - Part 2 - Cash Equivalents	E26
Schedule E - Part 3 - Special Deposits	E27
Schedule E - Verification Between Years	SI16
Schedule S - Part 1 - Section 2	30
Schedule S - Part 2	31
Schedule S - Part 3 - Section 2	32
Schedule S - Part 4	33
Schedule S - Part 5	34
Schedule S - Part 6	35
Schedule T - Part 2 - Interstate Compact	37
Schedule T - Premiums and Other Considerations	36
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	39
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	40
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14